

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Memorandum") is entered into between the COMMISSIONER OF PUBLIC LANDS FOR THE STATE OF NEW MEXICO (the "Commissioner" or "Grantor") and the COUNTY OF SANTA FE ("County" or "Grantee").

RECITALS

WHEREAS, the Commissioner, pursuant to the New Mexico Constitution and state statutes, has jurisdiction over state trust lands and is charged with the management of those lands.

WHEREAS, the County is a governmental unit, created and invested with all powers and authority given by New Mexico state statutes.

WHEREAS, the Commissioner, as Grantor, has granted to the County, as Grantee, a Right-of-Way Easement No. RW-28277 (the "Right-of-Way") across certain state trust lands in Santa Fe County, New Mexico located in the southern quarter of Sections 1 and 2, Township 16N, Range 8E (the "Land") for the purpose of protecting and managing open space and the Santa Fe River floodplain for passive recreation and protection of the riparian system.

WHEREAS, the Right-of-Way provides that the Grantor and Grantee will jointly develop and approve a Memorandum of Agreement to outline specific roles, responsibilities and goals for future management and development of activities and improvements within the Land. Pursuant to the Right-of-Way this Memorandum will become part of the Right-of-Way agreement upon approval by the parties.

THE PARTIES HEREBY AGREE TO THE FOLLOWING:

Adjacent Trust Land. Grantee acknowledges that Grantor owns land adjacent to the Land ("Adjacent Trust Land") and may sell, lease or develop the Adjacent Trust Land as a planned community with residential, commercial and/or industrial uses. Grantee acknowledges that Grantor and any lessee, or other entity working with Grantor, will include the Land as open space in a Master Plan for the development of the Adjacent Trust Land, subject to the Right-of-Way. Grantor may grant additional trail easements on the Adjacent Trust Land to connect the trail system on the Land to the Adjacent Trust Land. The parties agree to cooperate and coordinate with each other and any other lessees to avoid conflicts between the uses on the Land and the Adjacent Trust Land and to identify opportunities for cooperative uses.

Annexation. Grantee shall not object, if Grantor petitions to have the Land and Adjacent Trust Land annexed into the City of Santa Fe.

Land Use Approvals. Grantee acknowledges that the Land is not subject to municipal or county ordinances and regulations governing zoning and land use. However, Grantee agrees to comply with all local ordinances and regulations governing construction,

zoning, subdivision and land use, and will obtain, at the sole cost and expense of Grantee, any and all appropriate governmental approvals, including state, county, and municipal approvals, as may be necessary or advisable, to facilitate the approved uses. Grantor will cooperate and participate with Grantee, as necessary and at no expense to Grantor, in obtaining all appropriate governmental approvals. Grantee shall provide Grantor with a copy of any plans or plats to be submitted to any governmental authority for approval at least 24 days in advance of the submittal.

Grant Applications. Grantor acknowledges that from time to time the Grantee may apply for open space management, recreation, trail or education-related grants from various federal, state and non-profit agencies related to the purposes of the Land, as specified in the Right-of-Way. Grantee and Grantor may be co-applicants for grant applications.

Improvements. Grantee shall obtain all necessary permits for all improvements, including but not limited to: trails and related improvements, signs, parking areas, and access controls (collectively, the "Improvements"), at Grantee's sole cost and expense. Grantee shall deliver to Grantor, for Grantor's prior written approval before any construction is commenced, copies of all final plans and specifications for the Improvements (collectively, the "Construction Plans"). Grantor may disapprove any Construction Plans. Grantor will make a reasonable effort to complete review of submitted plans within 24 days. Grantor assumes responsibility to review all plans submitted by Grantee. All Improvements must be in conformance with the provisions of the Right-of-Way.

Construction and Repair of Improvements. The Grantee's Improvements will be constructed in a good and workerlike manner in accordance with all applicable requirements of all governmental authorities having jurisdiction over the construction of the Improvements. All construction shall be completed at Grantee's sole cost and expense, and in conformance with the provisions of the Right-of-Way. Grantee, at Grantee's sole expense, will maintain its Improvements in a safe condition, in good repair and in compliance with all governmental requirements. Grantee will repair or replace any of Grantees improvements that are damaged or destroyed, and the standard of repair will be equal to or exceed the condition of the repaired item immediately before the damage or destruction, without regard to reasonable wear and tear. Grantee shall submit a notice of repair of existing/damaged improvements to the Grantor to help record improvement values accurately. Construction by the Grantee shall not interfere with the improvements constructed by the Grantor without advance written permission from the Grantor.

Maintenance of Right-of-Way. Grantee is responsible for maintaining the land and its improvements. Volunteers from the local community, non-profit agencies or other sources may be used to maintain the Land. Grantor and Grantee agree that at the time of the development of adjacent state trust lands the responsibility may shift and the developer may assume or participate in maintenance responsibilities.

City Easement. Grantee acknowledges that the Land is subject to all encumbrances of record including those shown on Exhibit A attached to the Right-of-Way. A portion of the Land is subject to a floating easement granted to the City of Santa Fe for a trail (RW-26839). Grantee shall coordinate directly with the City on the construction and maintenance of Improvements on the Land where it overlaps with the City's easement.

Grantor's Activities. Grantee acknowledges that Grantor may from time to time conduct a number of activities on the Land including but not limited to: education, river restoration, vegetation planting and restoration, maintenance, construction and similar activities at Grantors sole expense. Grantor agrees to notify Grantee of these activities at least 7 days in advance of any work involving construction vehicles and to use their best efforts to avoid activities that might conflict with or harm the Grantee's activities and construction.

Compliance With Laws. Grantor shall fully comply with all federal and state laws applicable to the Right-of-Way or to Grantors operations thereon, including but not limited to all applicable laws governing water; endangered or threatened species; hazardous materials; environmental protection; land use; health and safety; cultural, historic or archeological / paleontological properties; waste; trespass; and all New Mexico State Land Office Rules and Regulations, including those that may be hereafter promulgated. Grantor's obligations under this paragraph include, but are not limited to, compliance with NMSA 1978 Section 19-6-5. Grantors compliance with all laws shall be at its own expense.

Grantee's Responsibilities Concerning Public Access. Grantee is solely responsible for protecting the Land from damage to property and improvements resulting from public use of the Land.

Dispute Resolution. In the event of any dispute between the parties the parties agree to use good faith efforts to mediate.

Amendment and Termination. This Memorandum may be terminated or amended at any time by written agreement of the parties. If not terminated previously, this Memorandum will terminate automatically upon termination of the Right-of-Way.

Boundary Modification. Grantor and Grantee may find it necessary or advisable to modify the boundaries of the Land from time to time. Any boundary modification proposed by either party must be submitted to the other party in writing for approval. The party requesting the boundary modification shall provide a new survey of the Land if either party determines that a survey is necessary.

Trailhead Access. The Land includes two trailhead easement segments and a trailhead parking area. The current locations of these areas are approximate, and, after final development plans for these areas are approved by Grantor and Grantee, if these locations have changed from the survey submitted with the Right-of-Way Grantor and Grantee shall amend the Right-of-Way to show their final locations.

Other Adjustments. Grantor and Grantee may amend the Right-of-Way to make any other boundary adjustments that maintain or increase the total acreage. Any adjustment which results in a total acreage for the Land that is greater than the original acreage total of the Right-of-Way may require additional compensation by Grantee to Grantor.

Notice. All notices given as provided in this MOA and the Right-of-Way will be in writing, and may be delivered (i) in person, (ii) by regular mail or overnight delivery service or (iii) by telex to Grantor or Grantee to the appropriate street or mailing address or facsimile number provided below. Either Grantor or Grantee may change their respective address or number by giving written notice of the change to the other as provided in this paragraph. The addresses and numbers for notice are:

Notice to Grantor:

New Mexico Commissioner of Public Lands
310 Old Santa Fe Trail (hand delivery address)
Santa Fe, NM
P.O. Box 1148 (mail address)
Santa Fe, New Mexico 87504-1148
FAX: (505) 827-5766

With copy to:

New Mexico State Land Office
General Counsel
310 Old Santa Fe Trail (hand delivery address)
Santa Fe, NM 87501
P.O. Box 1148 (mail address)
Santa Fe, NM 87504-1148
FAX: (505) 827-4262

With copy to:

New Mexico State Land Office
Surface Resources
310 Old Santa Fe Trail (hand delivery address)
Santa Fe, NM 87501
P.O. Box 1148 (mail address)
Santa Fe, NM 87504-1148
FAX: (505) 476-0320

Notice to Grantee:

Santa Fe County Board of County Commissioners
102 Grant Avenue (hand delivery address)
Santa Fe, NM 87501
P.O. Box 276 (mail address)
Santa Fe, NM 87504-0276
FAX (505) 995-2740

With copy to:

Santa Fe County Attorney
102 Grant Avenue (hand delivery address)
Santa Fe, NM 87501
P.O. Box 276 (mail address)
Santa Fe, NM 87504-0276
FAX (505) 986-6362

With copy to:

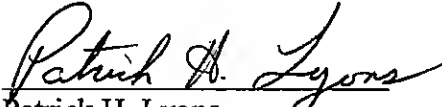
Santa Fe County Open Space and Trails Division Director
102 Grant Avenue (hand delivery address)
Santa Fe, NM
P.O. Box 276 (mail address)
Santa Fe, NM 87504-0276
FAX (505) 992-9869

SFC CLERK RECORDED 01/09/2006


Effective Date. The effective date of this Memorandum will be the date of approval by the Board of County Commissioners.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement this 5 day of January, 2006

COMMISSIONER OF PUBLIC LANDS
OF THE STATE OF NEW MEXICO

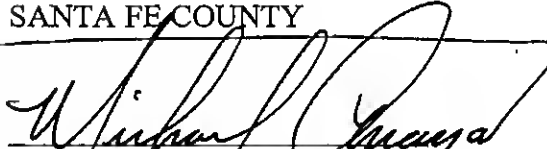

Patrick H. Lyons
Commissioner of Public Lands

APPROVED AS TO FORM


Katherine M. Moss
Assitant General Counsel, New Mexico State Land Office



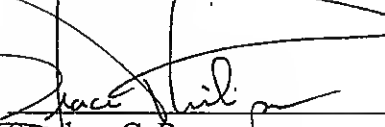
SANTA FE COUNTY


Michael D. Anaya, Chairperson
Santa Fe County Board of Commissioners

ATTEST


Valerie Espinoza
Santa Fe County Clerk

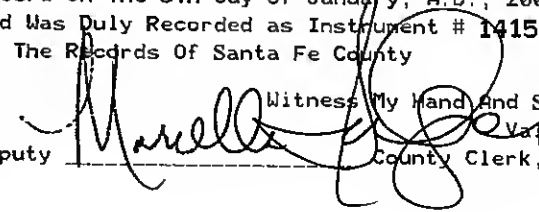
APPROVED AS TO FORM


Stephen C. Ross
Santa Fe County Attorney

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

MEMO OF AGREEMENT (NAC)
PAGES: 6

I Hereby Certify That This Instrument Was Filed for
Record On The 9TH Day Of January, A.D., 2006 at 15:32
And Was Duly Recorded as Instrument # 1415132
Of The Records Of Santa Fe County


Witness My Hand And Seal Of Office
Valerie Espinoza
Deputy County Clerk, Santa Fe, NM

SFC CLERK RECORDED 01/09/2006